

TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman
Lynn Greer, Director
Sara Kyle, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

June 14, 2000

Mr. Charles L. Howorth, Jr.
Regulatory Vice President
BellSouth Telecommunications, Inc.
333 Commerce Street #2104
Nashville, TN 37201-3300

Dear Mr. Howorth:

BellSouth recently filed Tariff 00-00402 to provide Contract Service Arrangement TN00-1856-00 for a discount on Flat Rate Business Service (Rate Group 5). The filing contains three separate provisions concerning charges for early termination after service is installed. First, Paragraph 7(a) of the CSA provides:

If Subscriber cancels this Agreement at any time prior to the expiration of the service period set forth in this Agreement, Subscriber shall be responsible for all termination charges. Unless otherwise specified by tariff, termination charges are defined as all reasonable charges due or remaining as a result of the minimum service period agreed to by Company and Subscriber and set forth in the Attachment(s).

Second, Note 1 of the Rates and Charges section of the CSA provides:

The following non-recurring charges will not apply. However, if any of the service is disconnected prior to the expiration of this C.S.A., then Subscriber will pay full non-recurring charges as identified below.

Contract Preparation Charge	WGGVF	\$323.00
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Last, Paragraph 2 of the Tennessee Addendum to CSA No. TN00-1856-00 provides in part:

Customer understands and agrees that if Customer terminates this agreement early, Paragraph 7(a) of the CSA requires Customer to pay as liquidated damages the amount of the contract preparation charge specified in Note 1 of the Rates and Charges section of this contract.

Finally, we note that BellSouth's general tariff does not specify any termination charges for Flat Rate Business Service.



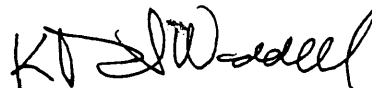
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While it is clear that the customer must pay the Contract Preparation Charge of \$323.00 upon customer's early termination of the CSA, we cannot determine the total amount of termination charges that would be due in the event of early termination when the aforementioned provisions are considered together. We therefore request that you provide responses to the following:

1. Since BellSouth's general tariff does not specify termination charges for Flat Rate Business Service, are Paragraph 7(a) termination charges consisting of all reasonable charges due or remaining as a result of the minimum service period agreed to by Company and Subscriber triggered in the event of early termination? Explain your answer.
2. Provide a detailed calculation of the termination charges that would be due from the customer under the terms of the CSA should the customer terminate:
 - a. At the end of six (6) months after the CSA first became effective.
 - b. At the end of twelve (12) months after the CSA first became effective.
 - c. At the end of eighteen (18) months after the CSA first became effective.
3. Has BellSouth informed the customer of BellSouth's interpretation of the termination provisions of the CSA as represented in the responses to request nos. 1 and 2 above? If so, please provide documentation of such customer notification.
4. If the response to request no. 3 is in the negative, will BellSouth consider notifying the customer of BellSouth's interpretation of the termination provisions of the CSA as represented in the responses to request nos. 1 and 2 and providing the Authority with documentation of such notification?

We request that you submit thirteen (13) copies of your responses to the Authority by Wednesday, June 28, 2000. If you have any questions concerning this matter, contact Darlene Standley at 741-2904, ext. 149.

Sincerely,



K. David Waddell
Executive Secretary

cc: Mr. Guy Hicks